

CITY OF MUSKEGON

CITY COMMISSION MEETING

MAY 11, 2004

CITY COMMISSION CHAMBERS @ 5:30 P.M.

MINUTES

The Regular Commission Meeting of the City of Muskegon was held at City hall, 933 Terrace Street, Muskegon, Michigan at 5:30 p.m., Tuesday, May 11, 2004.

Mayor Warmington opened the meeting with a prayer from Reverend Piggue from Emmanuel Tabernacle Church of God in Christ after which the Commission and Public recited the Pledge of Allegiance to the Flag.

ROLL CALL FOR THE REGULAR COMMISSION MEETING:

Present: Mayor Stephen Warmington, Vice Mayor Bill Larson, Commissioners Chris Carter, Kevin Davis, Stephen Gawron, Clara Shepherd, and Lawrence Spataro, City Manager Bryon Mazade, City Attorney John Schrier and City Clerk Gail Kunding.

2004-44 CONSENT AGENDA:

A. Approval of Minutes. CITY CLERK

SUMMARY OF REQUEST: To approve the minutes of the Regular Commission Meeting that was held on Tuesday, April 27, 2004.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval of the minutes.

B. Request to Fly the Norwegian Flag. CITY CLERK

SUMMARY OF REQUEST: The Sons of Norway request permission to fly the Norwegian Flag outside City Hall on Monday, May 17th to celebrate Norwegian Independence Day.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval.

D. Title V Grant Application. LEISURE SERVICES

SUMMARY OF REQUEST: To authorize the Title V Planning Committee to submit a grant application for the Delinquency Prevention Program.

FINANCIAL IMPACT: Local \$45,000 match to come from in-kind services from the City and two other agencies.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approve.

E. Sale of Buildable Vacant Lot at 1275 Dudley Avenue. PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: To approve the sale of a vacant buildable lot at 1275 Dudley Avenue (designated as parcel number 24-610-000-0145-00) to Kenyatta & Cynthia Drones of 760 Emerald Street, Apt. F, Muskegon, MI. The lot is 143 x 132 ft. and is being offered to the Drones for \$9,000. They plan to use the land for the construction of a 2,562 sq. ft. single-family home with a 3-stall attached garage. The True Cash Value (TCV) for the property listed in the Assessor's office is \$12,000, so our price is set at \$9,000 which is 75% of that amount.

FINANCIAL IMPACT: The sale of this lot for construction of a new home will generate additional tax revenue for the City and will place the property back on the City's tax rolls thus relieving the City of continued maintenance costs.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To approve the resolution and to authorize both the Mayor and the Clerk to sign said resolution and deed.

COMMITTEE RECOMMENDATION: The Land Reutilization Committee (LRC) recommended approval of this request at their April 27, 2004, meeting.

F. Health Care Opt-Out. FINANCE

SUMMARY OF REQUEST: Last fall, in response to employee suggestions, we explored the possibility of generating additional savings through the healthcare opt-out program. Under the opt-out program employees who do not need City health coverage receive a cash payment. The City, in turn, saves by not having to pay premiums for the employee. Last fall, not enough new participants could be found to reach the break-even point of 8 new employees. However, higher healthcare premiums have pushed the break-even point down to 6 new enrollees and several employees have requested that we reconsider this program. This revised proposal is to increase the opt-out payment amount from \$1,300 per year to \$3,000 per year provided that six new participants enroll to make it at least a break-even proposition for the city.

FINANCIAL IMPACT: Healthcare savings will depend on the number of new program participants. Six new participants are required for the City to "break-

even".

BUDGET ACTION REQUIRED: If enough new participants enroll in the program, budget adjustments may be needed in the departmental budgets where program participants are located.

STAFF RECOMMENDATION: Authorize an increase in the annual opt-out payment from the current \$1,300 to \$3,000 effective June 1 provided six new opt-out participants have signed up for the program. If there are not enough new participants signed up by June 1, the program will remain at its current level.

H. Appointment to Housing Board of Appeals. PUBLIC SAFETY

SUMMARY OF REQUEST: This is to request that the City Commission approve the appointment of Ed Simmons to the Housing Board of Appeals.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Due to the withdrawal of Edward Sheard from the Housing Board of Appeals, the appointment of Ed Simmons is recommended.

Motion by Commissioner Davis, second by Commissioner Carter to approve the Consent Agenda minus items g and c.

ROLL VOTE: **Ayes: Warmington, Carter, Davis, Gawron, Larson, Shepherd, Spataro**

Nays: None

MOTION PASSES

2004-45 ITEMS REMOVED FROM CONSENT AGENDA

C. Liquor License Request – Great Lakes Entertainment, LLC, 441 W. Western Avenue. CITY CLERK

SUMMARY OF REQUEST: The Liquor Control Commission seeks local recommendation on a request from Great Lakes Entertainment, to transfer ownership of the 2000 Class C-SDM licensed business located in escrow at 1679 E. Sherman Blvd., from Bill Knapp's to 441 W. Western Avenue. They are also requesting a new Dance-Entertainment Permit and additional Bar Permit.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval as long as license holder completes renovations and obtains occupancy permit from the City.

Motion by Commissioner Carter, second by Vice Mayor Larson to approve the Liquor License request from Great lakes Entertainment, to transfer ownership of

the 2000 Class C-SDM from licensed business located in escrow at 1679 E. Sherman Blvd., from Bill Knapp's to 441 W. Western Ave, as long as compliance are met.

ROLL VOTE: **Ayes:** Davis, Gawron, Larson, Shepherd, Spataro, Warmington, Carter

Nays: None

MOTION PASSES

G. Approval of Resolution to Sell 503 Octavius. COMMUNITY & NEIGHBORHOOD SERVICES

SUMMARY OF REQUEST: To approve the resolution and instruct the Community and Neighborhood Services Department to complete the sale of the structure located at 503 Octavius to Mr. Monte Griggs to be used as an owner-occupied single family residence.

FINANCIAL IMPACT: The HOME fund will receive approximately \$70,000 in program income.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To approve the resolution and instruct the Mayor and Clerk to sign the quit claim.

COMMITTEE RECOMMENDATION: The City Commission and Land Reutilization Committee both approved this project.

Motion by Commissioner Shepherd, second by Commissioner Gawron to approve the resolution to sell 503 Octavius to Mr. Monte Griggs and instruct the Mayor and Clerk to sign the quit claim.

ROLL VOTE: **Ayes:** Carter, Davis, Gawron, Larson, Shephed, Spataro, Warmington

Nays: None

MOTION PASSES

2004-46 PUBLIC HEARINGS:

A. Request to Establish an Obsolete Property District – PCJ Enterprises, LLC. PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: Pursuant to Public Act 146 of the Michigan Public Acts of 2000, PCJ Enterprises, LLC, 749 Moulton Avenue, Muskegon, Michigan, has requested the establishment of an Obsolete Property District. The district would be located at 441 W. Western Avenue, Muskegon, MI, the former Brunswick Building. Total capital investment for this project is \$800,000. The project will result in the creation of 40 new jobs in the City.

FINANCIAL IMPACT: If an Obsolete Property Certificate is issued, the property

taxes would be frozen for the duration of the certificate.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval of the resolution establishing an Obsolete Property District for 441 W. Western Avenue, Muskegon, MI.

The Public Hearing opened at 5:44pm to hear comments from the public. Comment was heard from Peter Johnson, 749 W. Western, Muskegon.

Motion by Commissioner Spataro, second by Vice Mayor Larson to close the Public Hearing at 5:51 and to approve the resolution establishing an Obsolete Property District for PCJ Enterprises of 441 W. Western Ave.

ROLL VOTE: Ayes: Gawron, Larson, Shepherd, Spataro, Warmington, Carter, Davis

Nays: None

MOTION PASSES

B. Request to Issue an Obsolete Property Certificate – PCJ Enterprises, LLC.
PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: Pursuant to Public Act 146 of the Michigan Public Acts of 2000, PCJ Enterprises, LLC, 749 Moulton Avenue, Muskegon, MI, has requested the issuance of an Obsolete Property Certificate for the property located at 441 W. Western Avenue (former Brunswick Building), Muskegon, MI. The building is presently unoccupied, but will be rehabilitated for a restaurant/bar in one half of the building and the other half of the building used for commercial or retail opportunities. Total capital investment for this project is \$800,000. The project will result in bringing 40 jobs to the City of Muskegon. Because of these new jobs and the amount of investment, the applicant is eligible for a twelve (12) year certificate.

FINANCIAL IMPACT: If an Obsolete Property Certificate is issued, the property taxes would be frozen for the duration of the certificate.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval of the resolution issuing an Obsolete Property Certificate for 441 W. Western Avenue, Muskegon, MI for a term of twelve (12) years.

The Public Hearing opened at 5:52pm to hear comments from the public. No comments were heard at this time.

Motion by Vice Mayor Larson, second by Commissioner Spataro to close the Public Hearing at 5:54 and to approve the request to issue an Obsolete Property Certificate to PCJ Enterprises, LLC, 441 W. Western Ave.

ROLL VOTE: Ayes: Larson, Shepherd, Spataro, Warmington, Carter, Davis,

Gawron

Nays: None

MOTION PASSES

2004-47 UNFINISHED BUSINESS:

A. Rezoning Request for Property Located at 407 Marquette Avenue (SE Corner of Marquette Ave. and Wood St.) PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: Request to rezone property located at 407 Marquette Ave., at the SE corner of Marquette Ave. and Wood St., from R-1, Single-Family Residential to B-1, Limited Business.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Staff recommends denial of the request due to lack of compliance with the future land use map and Master Land Use Plan.

COMMITTEE RECOMMENDATION: The Planning Commission voted to deny the request at their 1/15 meeting. Commissioners Spataro, Aslakson, Johnson and Sartorius voted for denial, Commissioners Michalski and Smith voted against denial, and Commissioners Mazade and Warmington abstained. T. Harryman was absent.

Motion by Vice Mayor Larson, second by Commissioner Carter to return the rezoning request for property at 407 Marquette Ave. back to the Planning Commission for rehearing.

ROLL VOTE: Ayes: Warmington, Carter, Davis, Larson

Nays: Shepherd, Spataro, Gawron

MOTION PASSES

B. Request for Extension of Deadlines for Former Lakos Property. PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: At the April 13, 2004 meeting, the City Commission requested that staff prepare an extension agreement with the Holiday Inn for the former Lakos property. The extension agreement allows for the owner of the property to have until October 1, 2004 to present plans for the development of the property to the City. Construction must then begin by April 1, 2005 and be completed by September 1, 2005.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To approve the Amendment Agreement, granting

an extension of time to the owners of the former Lakos property, and authorize the Mayor and Clerk to sign.

Motion by Vice Mayor Larson, second by Commissioner Davis to approve the Amendment Agreement granting an extension of time to the owners of the former Lakos property and authorize the Mayor and Clerk to sign.

ROLL VOTE: Ayes: Spataro, Warmington, Carter, Davis, Gawron, Larson, Shepherd

Nays: None

MOTION PASSES

2004-48 NEW BUSINESS:

A. Liquor License Request – Mason Street Market, 248 Mason Street. CITY CLERK

SUMMARY OF REQUEST: The Liquor Control Commission seeks local recommendation on a request from Ben Roberts, Jr., for a New Specially Designated Distributor License (SDD) to be held in conjunction with a proposed New Specially Designated Merchant License (SDM).

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Denial.

Motion by Commissioner Spataro, second by Vice Mayor Larson to deny the liquor license request for Mason Street Market, 248 Mason St.

ROLL VOTE: Ayes: Warmington, Carter, Davis, Gawron, Larson, Shepherd, Spataro

Nays: None

MOTION PASSES

B. Graffiti Ordinance. LEISURE SERVICES

SUMMARY OF REQUEST: To adopt the graffiti ordinance that would allow the City to enter private property to remove graffiti.

FINANCIAL IMPACT: Estimated at \$10,000 to be allocated from the City's contingency account.

BUDGET ACTION REQUIRED: Budget will be adjusted for the next quarterly report.

STAFF RECOMMENDATION: Approve.

Motion by Commissioner Shepherd, second by Vice Mayor Larson to adopt the graffiti ordinance that would allow the City to enter private property to remove graffiti.

ROLL VOTE: Ayes: Carter, Davis, Gawron, Larson, Shepherd, Spataro, Warmington

Nays: None

MOTION PASSES

C. Request to Establish a Pay Range - Police Records Supervisor. PUBLIC SAFETY

SUMMARY OF REQUEST: Police Department staff requests that the Commission consider our request for an increase in the pay grade for the Police Records Supervisor position. As a result of organizational changes within the department, the position of Administrative Aide was eliminated and has been replaced with that of the Police Records Supervisor. The new job description has been approved by the Civil Service Commission. The requested pay-grade change is as follows:

Administrative Aide: \$27,538 - \$36,720

Police Records Supervisor \$33,698 - \$44,933

FINANCIAL IMPACT: As a result of salary savings from open positions, funds are available for this pay grade change.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval of this request.

Motion by Vice Mayor Larson, second by Commissioner Shepherd to refer item back to staff for further consideration.

ROLL VOTE: Ayes: Davis, Gawron, Larson, Shepherd, Spataro, Warmington, Carter

Nays: None

MOTION PASSES

D. Agreement with the County of Muskegon - Ferry Project CITY MANAGER

SUMMARY OF REQUEST: To enter into an agreement with the county of Muskegon for financial participation (\$200,000) for the ferry project.

FINANCIAL IMPACT: \$200,000 from the County of Muskegon.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To approve the agreement.

Motion by Commissioner Spataro, second by Commissioner Gawron to enter into an agreement with the County of Muskegon for financial participation (\$200,000) for the ferry project.

ROLL VOTE: Ayes: Gawron, Larson, Shepherd, Spataro, Warmington, Carter,
 Davis

 Nays: None

MOTION PASSES

The Regular Commission meeting for the City of Muskegon was adjourned at 7:23pm.

Respectfully submitted,

Gail A. Kunding, MMC
City Clerk